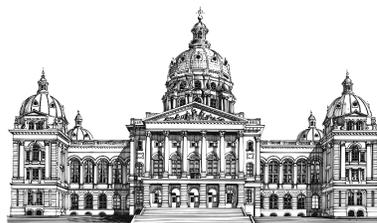

Iowa Legislative Fiscal Bureau

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Industrial Hemp

ISSUE

This *Issue Review* provides background on the issue of industrial hemp as an alternative crop for production in Iowa. Legislation was proposed during the 1997 Legislative Session that would have authorized Iowa State University (ISU) to conduct a study on the production of industrial hemp and to report the findings to the General Assembly.

AFFECTED AGENCIES

Department of Agriculture and Land Stewardship
Department of Public Safety
Iowa State University

CODE AUTHORITY

None

BACKGROUND

As the global demand of industrial hemp increases, cultivation and legalization of industrial hemp has become a controversial discussion topic. Supporters praise the benefits of hemp while opponents remind the public that hemp production is illegal in the United States.

Industrial hemp was produced in this country, but was outlawed by the federal government in 1937 with the passage of the Marijuana Tax Stamp Act. This Act prohibits the use, sale, and cultivation of marijuana in the United States. The federal government classifies hemp as a Schedule 1 controlled substance, regardless of narcotic content. Industrial hemp and marijuana are classified as the same type of plant although they contain different levels of tetrahydrocannabinol (THC), the element that creates psychoactive effects. Marijuana has THC levels of 4.0% to 7.0% of the total plant weight while industrial hemp has levels of 0.1% to 0.4%. Supporters of industrial hemp claim that the lower levels produce limited psychoactive effects or none at all.

The federal government made an exception to the ban on industrial hemp production during World War II when President Franklin Roosevelt asked farmers to produce hemp for the war effort. This program was known as "Hemp For Victory." Hemp was used to produce a number of products including parachute webbing, rope, twine, and boot laces.

Supporters of industrial hemp claim the crop has a short growth cycle of three to four months. The crops are planted within inches of one another and this density along with the short growth cycle eliminates weeds without using pesticides.

Opponents claim marijuana plants and industrial hemp plants are similar in appearance which would create problems for law enforcement. There are other concerns that legalizing industrial hemp would be a step towards the legalization of marijuana.

The ISU study was to provide production information necessary to prove or disprove these theories. This information was to have been part of a detailed report that would be submitted to the Legislature upon completion of the study.

CURRENT SITUATION

Hemp Production

Hemp is grown in Asia, Europe, regions of Canada, and regions of Australia. Manufacturers in the United States can import hemp once it has been processed and seeds can be imported after they have been sterilized. However, this increases the cost of hemp products as it is more expensive to import hemp than to grow it locally.

As the demand for hemp increases, farmers and other organizations in the United States have become interested in growing industrial hemp. In January 1997, the American Farm Bureau Federation passed a resolution supporting the production of industrial hemp.

Hemp Products

The industrial hemp plant is harvested for fiber, hurds, and seeds. Fiber is harvested from the hemp stalks and used for textiles, rope, carpet backing, and a variety of other products. Hemp hurds contain cellulose, which is used for the production of plastics. The hurds are also used in the production of paper products. Hemp seeds are used for food products and hemp seed oil is used for the production of paints and varnishes. The following table is a listing of some of the products using industrial hemp:

INDUSTRIAL HEMP PRODUCTS		
FIBER	HURDS	SEEDS
denim	paper	non-dairy milk products
rope	paneling	paint/varnish
canvas	fiberboard	moisturizer
twine	insulation	diesel fuel
carpet backing	plastic	birdseed

Legislation

Legislation related to industrial hemp production introduced during the 1997 Legislative Session included House File 402 (Industrial Hemp Research) and Senate File 340 (Industrial Hemp

Research). This legislation would have authorized the study of industrial hemp production by ISU. It was estimated that a two-year study would cost \$300,000. Neither of these bills received final legislative approval.

Other states have introduced legislation with regards to industrial hemp. The following table summarizes the type of legislation introduced.

INDUSTRIAL HEMP LEGISLATION		
PRODUCTION STUDY LEGISLATION PASSED	PRODUCTION STUDY LEGISLATION INTRODUCED	PRODUCTION LEGISLATION INTRODUCED
Hawaii	Colorado	Kansas
Vermont	Kentucky	Missouri
	Iowa	Oregon
	Virginia	

In 1997, the State of Washington Hemp Initiative petition was introduced, which allows the legalization of hemp under certain conditions for industrial, medicinal, and personal use. Hemp would be taxed, regulated, and controlled by the Liquor Control Board. The Initiative will be placed on the ballot for the November 1998 election if the petition receives 179,248 signatures from registered voters.

Arizona has not introduced legislation regarding industrial hemp, however, test plots were planted on Navajo land in March 1996. This project, the Navajo Hemp Project, is sponsored by the Coalition for Hemp Awareness.

BUDGET IMPACT

Funding for the ISU study would be from private sources and would not require an appropriation.

AVAILABLE INFORMATION

Additional information relating to the production of industrial hemp is available from the Legislative Fiscal Bureau.

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